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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/784,918	02/16/2001	William J. Andres	SMS919990003	4297

7590 09/02/2004

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EXAMINER	
MCALLISTER, STEVEN B	
ART UNIT	**PAPER NUMBER**
3627	

DATE MAILED: 09/02/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)	
	09/784,918	ANDRES ET AL.	
	Examiner	Art Unit	
	Steven B. McAllister	3627	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *05 April 2004*.

2a)☒ This action is **FINAL**. 2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-26* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-26* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☒ The drawing(s) filed on *05 April 2004* is/are: a)☒ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s) No PTO-892 PTOL

1) ☒ ~~Notice of References Cited (PTO-892)~~

2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)

3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) Paper No(s)/Mail Date _____.

4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____.

5) ☐ Notice of Informal Patent Application (PTO-152)

6) ☐ Other: _____.

DETAILED ACTION

Drawings

The drawings (Figs. 1A and 1B) were received on 4/5/2004. These drawings are accepted.

It is noted that all drawing are acceptable for examination only. New formal drawings are required upon allowance.

Claim Rejections - 35 USC § 112

The following is a quotation of the first paragraph of 35 U.S.C. 112:

> The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

Claims 3-9 and 14-25 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the enablement requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention.

Claim 3 recites "said inventory control component comprises means for automatically identifying time-sensitive inventory for sell-off", but claim 1 from which 3 depends shows the time-sensitive inventory being identified by the front-end identifying function. The specification does not appear to show two separate identifications of time-sensitive inventory by two different components of the system. One of ordinary skill in the art would not be able to make the claimed invention without undue experimentation.

Claim 14 recites "identifying items of inventory for sell off" within the step of offering inventory, but claim 12 from which 14 depends shows the time-sensitive inventory being identified prior to the offering inventory step. The specification does not appear to show two separate identifications of time-sensitive at two separate times in the method. One of ordinary skill in the art would not be able to practice the claimed invention without undue experimentation.

The following is a quotation of the second paragraph of 35 U.S.C. 112:

> The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 1-12 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claim 1 recites a system in the preamble. It is noted that this is interpreted as an apparatus. Within the body of the claim, however, it recites only a "function", and two "components", all of which appear to be disembodied software elements, and not elements of an apparatus, and therefore not limiting on the apparatus. It is noted that if a computer were claimed, the computer having these elements embedded in a computer readable medium, they would be limiting on the apparatus.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-12 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The claims recite a system in the preamble, but appear only to recite disembodied software elements in the body of the claims. Disembodied software elements are per se non-statutory subject matter. It is noted that software modules embedded in a computer readable medium are statutory subject matter, however.

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

> A person shall be entitled to a patent unless –
>
> (e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or on an international application by another who has fulfilled the requirements of paragraphs (1), (2), and (4) of section 371(c) of this title before the invention thereof by the applicant for patent.

The changes made to 35 U.S.C. 102(e) by the American Inventors Protection Act of 1999 (AIPA) and the Intellectual Property and High Technology Technical Amendments Act of 2002 do not apply when the reference is a U.S. patent resulting directly or indirectly from an international application filed before November 29, 2000. Therefore, the prior art date of the reference is determined under 35 U.S.C. 102(e) prior to the amendment by the AIPA (pre-AIPA 35 U.S.C. 102(e)).

Claims 1-9, 13-21 and 26 are rejected under 35 U.S.C. 102(e) as being anticipated by Walker et al (6,052,667).

'667 shows an identifying function for dynamically identifying time-sensitive inventory for selective sale, comprising automatically determining when inventory items become "old" (e.g., 7 minutes as shown in figures) and eligible for sale for a reduced price; a sell off component for offering inventory comprising e.g., software for preparing the sales offer shown to the attendant; and a back-end for automatically integrating the results of the sale into the management systems at the supplier site. (It is noted that the system of '667 as a whole resides at the supplier site and that the results are integrated into the management systems at that site).

As to claim 2, it is noted that '667 shows an inventory control component; an offer preparation component; and a sell off management component.

As to claim 4, it is noted that '667 shows an inventory control component having means for updating records of items identified for sell off (e.g., Fig. 6).

As to claim 5, it is noted that '667 inherently shows communication between the inventory control system and the offer preparation component, since the offer preparation component must access inventory information in making the offer.

As to claim 6, '667 shows creating at least one sell file based on item-specific information, such as age.

As to claim 7, '667 shows creating the file based on item-specific information and auction control data, for controlling the dutch auction (as the product gets older it is offered for less).

As to claim 8, '667 shows a tracking component for maintaining historical dutch auction information (e.g., Fig. 18A).

As to claim 9, '667 shows using historical auction data in determining the price (e.g., Figs. 18a-18c).

As to claim 13, it is noted that the apparatus of claim 1 performs all steps of the method including the communications steps which is accomplished by showing the offer to the customer via the display device.

As to claims 14-21, it is noted that apparatus of '667 performs all steps of the method, as discussed above.

As to claim 26, it is noted that the apparatus of '667 comprises software accomplishing all claimed steps.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claims 1-6, 13-18, and 26 are rejected under 35 U.S.C. 102(e) as anticipated by or, in the alternative, under 35 U.S.C. 103(a) as obvious over by Walker et al (5,897,620).

'620 shows an identifying function for dynamically identifying time-sensitive inventory to be offered for selective sale (e.g., steps 1200, 1205); a sell off component

for offering inventory for selective sale and handling communications with prospective buyers via travel agents; and a back end integration process for automatically integrating the results of the sale into the management systems of the supplier.

Alternatively, '620 shows all elements except a component which handles communication with the buyers. However, it is notoriously old and well known in the art to provide such an element. For example, it is old and well known to provide the fares directly to the customers via the internet. It would have been obvious to one of ordinary skill in the art to do so in order to avoid travel agent fees.

As to claim 2, it is noted that all elements are shown by '620.

As to claims 3-6, it is noted that all elements are shown.

As to claims 13-18, it is noted that the apparatus of '620 accomplishes all claimed method steps. It is further noted that claim 13 does not required the system itself to communicate the offer, and as such the offering of the tickets to the customer via the travel agent as recited in '620 reads on the recited method step.

As to claim 26, it is noted that the apparatus of '620 comprises software that operates to accomplish all recited steps.

Claims 10-12 and 22-25 are rejected under 35 U.S.C. 103(a) as being unpatentable over by Walker et al (5,897,620).

As to claims 10 and 11, '620 shows all elements except advertising means comprising a web page for posting offers. However, as mentioned above, it is notoriously old and well known in the art to advertise offers directly to a consumer via a

web page. It would have been obvious to one of ordinary skill in the art to modify the apparatus of '620 by providing a web page for advertising the offers.

As to claims 10 and 12, '620 shows all elements except an advertising means comprising an email server for distributing offers via email. However, it is notoriously old and well known in the art to do so. For instance, Expedia, Priceline, and Travelocity often send out emails with offers targeted to those who have signed up with the services. It would have been obvious to one of ordinary skill in the art to do so in order to create more business at a relatively low cost.

As to claim 22-25, the apparatus of '620 as modified by the well known prior art accomplishes all steps of the recited method.

Response to Arguments

Applicant's arguments filed 4/5/2004 have been fully considered but they are not persuasive.

Regarding the 112 rejections, the language of the body of the claims suggests disembodied software modules, as opposed to an element of the apparatus.

Regard the 112 rejection of claims 3 and 15, it is not clear from the specification that there are two layers of identification of inventory carried out. As understood by the examiner, inventory is identified, either manually or automatically, for entry into the SOA process.

Regarding the 102 and 103 rejections, the arguments are moot to the new grounds of rejection. However, as the arguments address '667 they are addressed below.

Regarding the statement that '667 does not have an element which identifies time sensitive inventory, the examiner upon a re-examination of the reference disagrees. All inventory is tracked in the system, and upon the inventory reaching a certain age, it is automatically identified for entry into the sell-off process. The examiner respectfully disagrees that this is not automatically identifying inventory for sell off.

Regarding the argument that no back end integration system is shown automatically integrating data to the supplier site system, the examiner respectfully disagrees. As construed by the examiner, the restaurant practicing the method is the supplier site and the apparatus practicing the method is at the supplier site. (It is noted that the claims do not recite that the apparatus is a third party system or that it is remotely located from the supplier site). The system automatically integrates into the restaurant management system the results of the offers.

As to the argument that the integration component integrates the data into a legacy system having specified components, it is noted that the discussed subject matter is not claimed.

Conclusion

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP

§ 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Steven B. McAllister whose telephone number is (703) 308-7052. The examiner can normally be reached on M-Th 8-6:30.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Robert P. Olszewski can be reached on (703) 308-5183. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Steven B. McAllister